



Building a Brighter Future

2020 Annual Report



Randolph Electric
Membership Corporation

Your Touchstone Energy® Cooperative 

DEAR MEMBERS,

This past year has proven to be a challenge for many. The global pandemic has touched all of us, either with illness, the loss or sickness of a loved one, or with new daily routines and financial struggles. Through this difficult year, your electric cooperative has worked to keep you, the member-owner, our priority. For 83 years, our core value of *integrity* has guided us to deliver safe, reliable, and affordable energy. We are proud to say that despite the chaos of the pandemic, your electric cooperative adapted and ensured that you received the highest levels of service possible. We understand that you value our consistency and dependability. We value your trust and strive to remain worthy of it.

In March 2020, in response to the pandemic, the Board of Directors voted to accelerate capital credit payments to members. This action resulted in 97 percent of our members receiving a total of \$2.5 million in checks or bill

credits from their share of the general capital credits retirement. The Board voted to take this action to provide funds to members in their time of need. You can rely on Randolph EMC to maintain a member-focused perspective.

You can also depend on Randolph EMC to plan responsibly for the future. In 2020 we announced our **Brighter Future** campaign in partnership with the other 25 electric cooperatives in North Carolina. This initiative strengthens rural areas by providing reliable electricity at the lowest possible cost and in keeping with sustainability goals.

One way we will advance this brighter future is through our self-healing grid. In 2020, we began implementing this technology in strategic locations to provide improved service in the areas that could benefit the most. The self-healing grid essentially ties together sections of line from two different sources.

If a fault occurs, the grid brings the lights back on to members who would otherwise be out of power until repairs are made. All this happens automatically within about a minute and can significantly reduce the number of members affected by an outage. This flexible, resilient, and modern grid supports new energy solutions and the growing needs of local communities.

The REVUP program provides another avenue for innovation in our Brighter Future campaign. The program encourages electric vehicle adoption by providing rebates for home charging stations and special rates for charging



vehicles at times when demand on the electrical system is lower. To meet the needs of our members and our communities with electric vehicles, Randolph EMC provides four charging stations in two prime locations at the North Carolina Zoo and in 2020 installed a DC Fast Charger at the McDonald's on East Dixie Drive near Randolph Mall in Asheboro. This is the only public fast charger within a 30-mile radius. Randolph EMC also plans to install another DC Fast Charger near Lake Tillery in Montgomery County in 2021 and anticipates announcing more locations in the near future.

Randolph EMC also helped to facilitate funding for an all-electric school bus from the Volkswagen settlement. The new bus will serve a route in southwestern Randolph County. Randolph EMC will provide a DC Fast charger and related electrical infrastructure for the bus on the campus of Southwestern Randolph Middle School. Randolph EMC will analyze how charging the electric bus affects the electric grid and Randolph County School System's electric bill. This will allow the project to serve as a case study for future applications of electric vehicle technology across the state. Randolph EMC is proud to partner with Randolph County School System to bring value to the community.

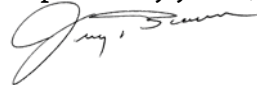
The brighter future we envision must be sustainable. Randolph EMC has committed to be a responsible environmental steward of our resources by reducing our carbon emissions. Our current fuel mix is more than 60 percent carbon-free. More than half of our power comes from emissions-free nuclear generation, an extremely reliable, safe and affordable source of electricity. Our early investment in nuclear generation has allowed members and communities to benefit from the lowest carbon electricity in the Southeast. In addition, we are increasingly integrating renewables into

our already diverse array of power sources as new technology, such as battery storage, makes renewable energy a more accessible option.

To achieve this low-cost, low-carbon future, we are working with the state's other electric cooperatives toward significant carbon reduction goals: net-zero carbon emissions by 2050 with an interim 2030 goal of reducing carbon emissions by 50 percent from 2005 levels. These goals will ensure a brighter future for our members and their communities while preserving the reliability and affordability of electricity. You can always count on your cooperative for innovative and responsible energy solutions.

This year marks the 83rd Annual Meeting and the second meeting brought to you virtually. Although we would like to be together, the Board made this tough decision in order to keep our members as safe as possible. We welcome you to this event on Friday, June 18, at 6:30 p.m. You will be able to attend by watching on your device as the Annual Meeting streams through our website or by calling in by phone to listen to the meeting. Please reference the cover wrap for specific directions. We hope you will join us virtually to celebrate the strength of our cooperative, conduct important business, and focus on the brighter future we are building together.

Cooperatively yours,



Jerry Bowman,
Board President



Dale F. Lambert,
Chief Executive Officer



THE COOPERATIVE DIFFERENCE



The economic impact of the pandemic caused a tremendous increase in the demand for services nonprofits offer to those in need. In its sixth year, People Helping People's Sharing Success Community Grants program provided much-needed support for local agencies like the Randolph County Senior Adults Association, which ensures that the most vulnerable in our community do not go without food.

◀ **\$15,000**

Sharing Success Community Grants supporting 8 local nonprofit organizations

"We would like to express our gratitude for your generosity during the COVID-19 emergency. This award will greatly increase our efforts in our fight against food insecurity. We have experienced an extreme increase in those we serve. Your grant ensures that we will continue to serve those in need."

PEOPLE HELPING PEOPLE



▲ **1,725**

Members contributing by rounding up their bills

▲ **\$12,595**

Amount of assistance provided to 40 members in need in 2020

"Thank you so much for the wonderful gift of the check you sent to us. It was so greatly appreciated and put to good use. Thank you for the great service that REMC does for us—the prompt service that is provided to us by those men and women who see to our power needs. May God bless all of you and keep you safe."

Congratulations to Alex Scruggs, who represented Randolph EMC in the National Rural Electric Cooperative Association's Youth Tour in summer 2020. An Eagle Scout, Alex also won a prestigious Youth Leadership Council Scholarship of \$2,000 for college, awarded by North Carolina's Electric Cooperatives.

BY THE NUMBERS



32,996

Member Accounts



525,183,379

kWh Purchased



\$2.5 Million

Capital Credits Returned



73,544

Transactions Made through Mobile App



3,213

Members Receiving High Usage Alerts



3,962

Members Receiving Electronic Bills



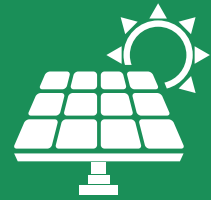
1,679

FlexPay Participants



57,174

kWh Used to Fuel Electric Vehicles



228

SunPath Community Solar Panels Subscribed to 44 Members



2020 marked the 26th anniversary of the Bright Ideas program, which provides funding for projects in all grade levels and subject areas. Since 1994, North Carolina's electric cooperatives have collectively awarded more than \$13.6 million for nearly 13,000 projects benefiting 2.7 million North Carolina students.

\$12,000 ▶

Educational grants to 9 local teachers



FINANCIAL REPORT

What We Took In

Operating Revenue	\$ 63,235,974
Non-Operating Revenue	\$ 248,931
Capital Credits from Associated Organizations	\$ 1,565,209
Total	\$ 65,050,114

What We Paid Out

Purchased Power	\$ 35,970,666
Property Taxes	\$ 804,751
Depreciation of Plant and Equipment	\$ 6,158,362
Interest Expense	\$ 3,095,661
Operation, Maintenance & Other Expenses	\$ 14,813,970
Total	\$ 60,843,410

What We Had Left

Net Margin for the Year (Patronage Capital)	\$ 4,206,704
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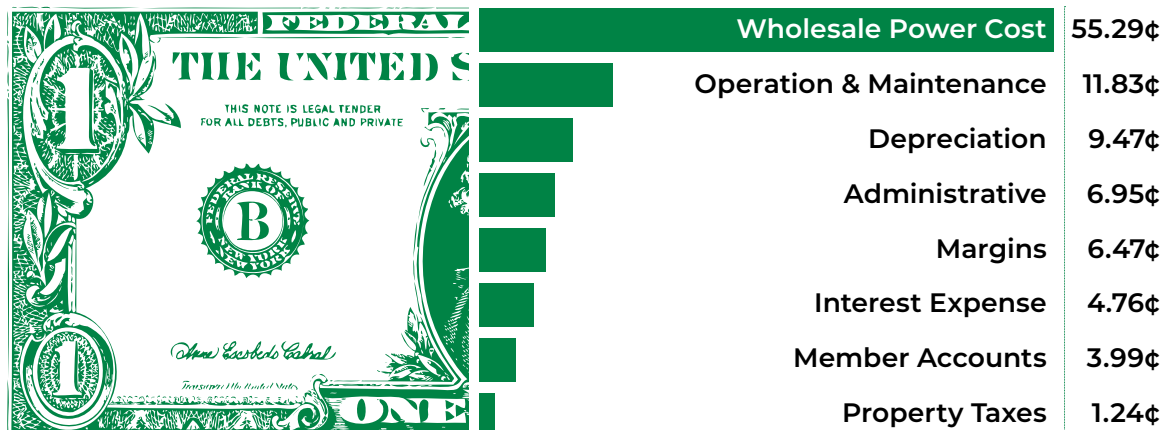
Assets

Our entire plant is valued at	\$ 140,737,770
We have other investments worth	\$ 18,811,506
We have cash and temporary investments on hand in the amount of	\$ 4,826,446
We have accounts and notes receivable amounting to	\$ 4,720,423
We have prepayments and other assets amounting to	\$ 5,679,575
Our materials and supplies are worth	\$ 2,312,237
Total Assets	\$ 177,087,957

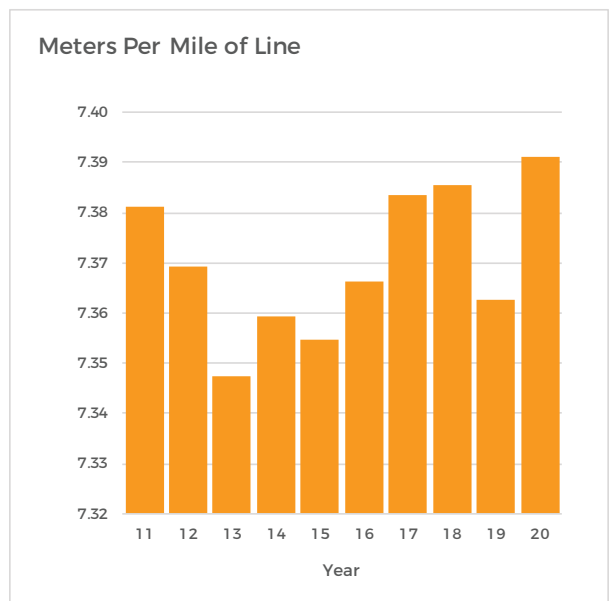
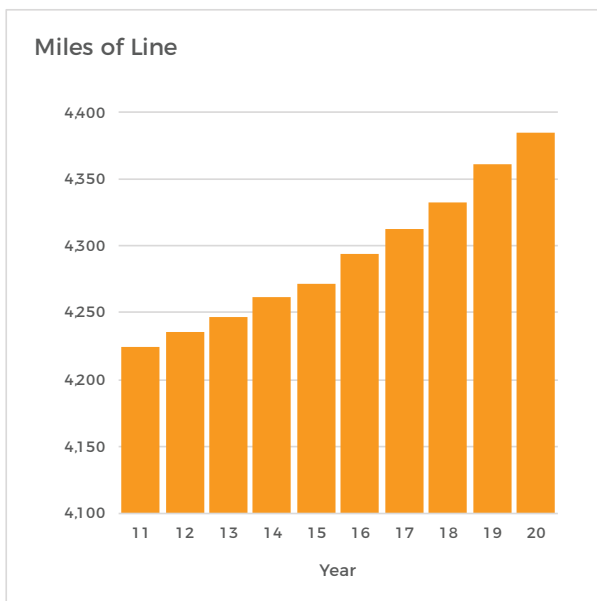
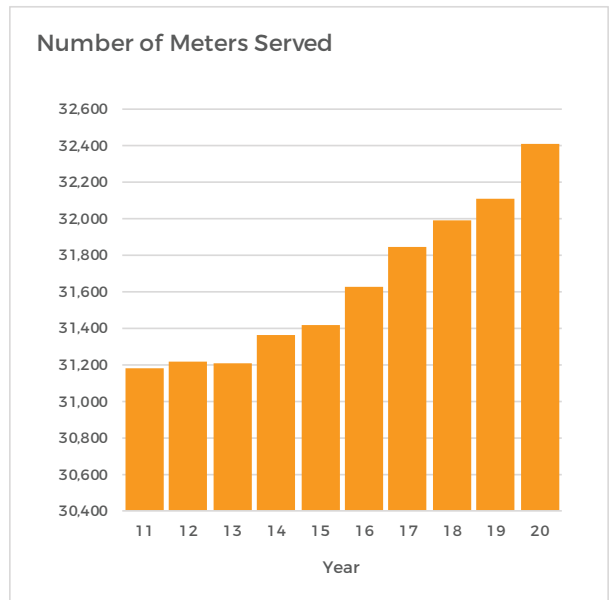
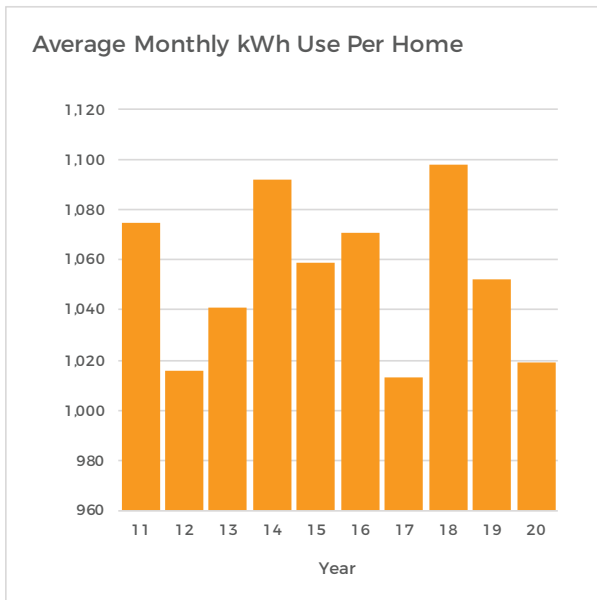
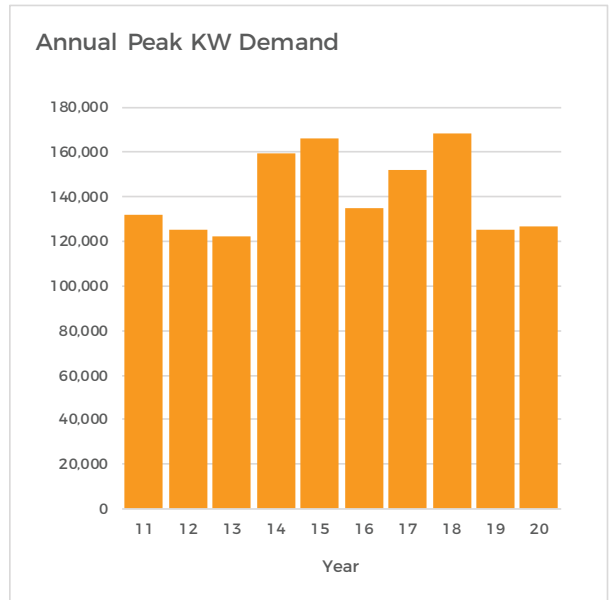
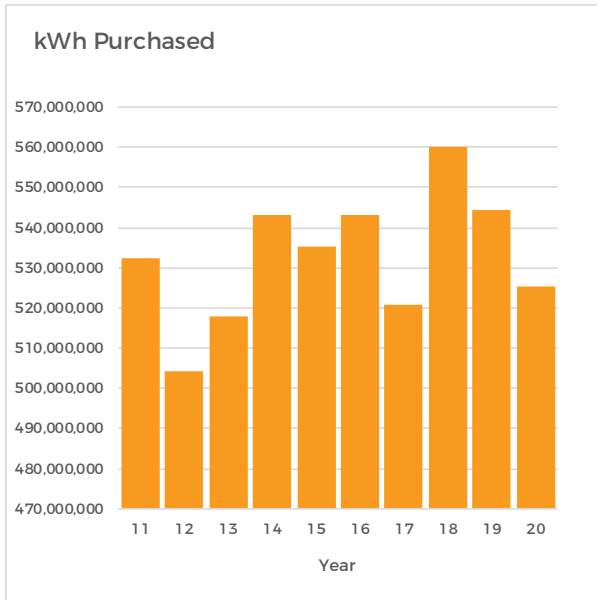
Liabilities

We owe debt on our plant of	\$ 100,557,181
We have allocated and unallocated margins amounting to	\$ 60,780,326
We owe accounts payable amounting to	\$ 4,585,397
We are holding deposit fees amounting to	\$ 691,414
We have other current and accrued liabilities amounting to	\$ 7,361,387
We have deferred credits and other liabilities amounting to	\$ 3,112,252
Total Liabilities	\$ 177,087,957

2020 REVENUE DOLLAR



POWER TRENDS



BOARD OF DIRECTORS



Officers

Jerry Bowman
President

Tammie Phillips
Vice President

Billy Maness
Secretary-Treasurer

Lee Isley
Assistant
Secretary-Treasurer

Directors & Staff

Scott Cole

Delbert Cranford

Steve Harris

Larry Routh

Sue Spencer

Aaron Christensen

Dale Lambert



Randolph EMC
Your Touchstone Energy® Cooperative 

Asheboro Office
879 McDowell Road
Asheboro, NC 27205
(336) 625-5177
(800) 672-8212

Robbins Office
201 S. Middleton Street
Robbins, NC 27325
(910) 948-3401
(800) 868-7014